GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:5028
ANSWERED ON:20.04.2001
EXCISE DUTY ON LEATHER PRODUCTS
SUNIL KHAN

Will the Minister of FINANCE be pleased to state:

(a) whether high excise duty on finished leather goods has created difficulty for small scale leather industry;

(b) if so, the details thereof; and

(c) the corrective measures propose to be taken to safeguard the interests of small scale leather industry?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a) & (b) Finished leather goods attract excise duty (CENVAT)at the general rate of 16 percent. However, small scale units whose annual turnover does not exceed Rs. 3 crore are not required to pay excise duty on clearances upto Rs. 1 crore in a financial year. As such adequate benefit in excise duty is available to such small scale leather units.

(c) Does not arise in view of (a) & (b) above.